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EXECUTIVE OFFICE OF THE PRESIDENT
NATIONAL SECURITY COUNCIL
WASHINGTON

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MEMORANDUM FOR THE NATIONAL SECURITY COUNCIL

SUBJECT: Draft NSC Record of Action: Guidelines for
the Military Aid Program, dated January 13, 1962

The attached draft National Security Council Record of
Action will be considered by the National Security Council at
its next meeting on January 18, 1962.

Bromley Smith
Bromley Smith
Executive Secretary

Attachment:

Subject paper.

NSC Control No. 47

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January 13, 1962

DRAFT NSC RECORD OF ACTION

SUBJECT: Guidelines for the Military Aid Program

1. While recognizing that a period of high tension over Berlin and South-east Asia is an inappropriate time to make sizeable, early cuts in military aid programs, we must move ahead ; with the longer range process of reshaping our MAP policies to make them fully consistent with the needs of the 1960s.
2. The main thrust of US aid in the next decade will be to assist in economic development and nation-building. MAP policy must complement more effectively the new AID emphasis on national development efforts to deal with the root causes of internal instability and to decrease local vulnerability to Communist indirect attack, which seems a more likely threat than overt Bloc local aggression.
3. Korea, the GRC, Pakistan, Iran, Greece and Turkey, which face a combined internal and external threat to their security, will require continued large MAP outlays over at least the next five years. However, moderate reductions and changes are desirable, together with increased relative emphasis on economic aid, and where appropriate, on internal security programs.
4. One major technique of MAP adjustment will continue to be a selective stretch-out of force improvement in the above six countries. The objective of such a stretch-out is to assure the minimum defense burden on the country,

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taking into account the local threat, both internal and external, and the demands for more accelerated economic development. Wherever politically feasible, the introduction of modern weapons systems will not exceed the capability of local financial, manpower, and skill resources to absorb them.

5. The five-year MAP and force ceilings proposed by the Military Assistance Steering Group are to be regarded as indicating the broad direction in which we ought to move over the next five years. However, political and other factors may dictate flexibility in the timing and magnitude of the MAP and force reductions called for, and the Steering Group proposals need further refinement to take these factors into account. Therefore, Military Assistance Plans for FY 1964-68 (including the final proposed FY 1963 Program) will be prepared on the following basis:

- a. For Pakistan, while carrying out the commitments in the 1954, 1960 and 1961 aide memoires, timing of deliveries will be stretched out to the maximum consistent with political considerations. Future programs will be reduced to the minimum levels consistent with these commitments, if possible below the ceilings recommended by the Steering Group.
- b. For the GRC, we will seek to adhere as closely as possible to the proposed FY 1963 program levels (\$160 million annually), with items above this figure specifically justified. An alternative plan will be developed on a strict US Eyes Only basis to indicate what might be involved in carrying out the proposal considered by the

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Steering Group.

- c. For Korea, a substantial shift of resources from MAP to AID programs is desired, along the lines proposed by the Steering Group. But final judgment as to timing and magnitude will not be made until the Department of State, AID, and the Defense Department, after further study, prepare firm FY '63-68 recommendations. Their report, to be submitted by 15 June 1962, will include a full review of: (a) the relative threats to US interests in Korea; (b) such military factors as the desirable level of US forces in Korea and the proper military mission for ROK forces; (c) the desirability of accelerated economic aid and ROK absorptive capacity; and (d) the political problems involved. For illustrative purposes, and to facilitate completion of MAP programs in light of the policy decisions reached as a result of this review, the appropriate field agencies will submit an analysis of the impact on MAP of reductions from the present level of 18 Army divisions plus 1 Marine division at the rate of two divisions per year down to a level of 11 divisions.
- d. For Iran, the 150,000 man force level and the FY 1963-67 MAP ceiling of \$300 million proposed by the Steering Group are approved in principle, but it is recognized that the precise MAP ceiling will be dependent upon political issues not yet resolved. The Department of State, AID, and the Defense Department will submit prompt recommendations, taking into account these political factors and prospective

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US economic support of the new Iranian Seven Year Plan, and making every effort to stay within the \$300 million MAP ceiling.

- e. For Greece and Turkey, while some MAP reductions are desired, action on the Steering Group recommendations is deferred pending resolution of the Berlin crisis. Meanwhile, alternative FY 1964-68 plans will be developed, one on the basis of the Steering Group recommendations, and the other on the basis of the position preferred by the Department of Defense. These alternatives, with appropriate justification will be submitted by 15 July 1962.

6. To indicate the shape and impact of an increased emphasis on economic aid as called for in para. 3 above, AID will prepare, parallel to the above submissions, illustrative estimates of the economic aid the six countries could effectively absorb during FY 1963-68; these estimates will take into account the proposed shifts in MAP and force levels.

7. Supporting assistance to local military budgets will continue to be reduced as rapidly as is consistent with a realistic assessment of local resources and of the effect of development aid.

8. In carrying out the above policies, every effort is to be made to convince recipient countries that, while continuing to support reasonable defense forces, they should focus their primary efforts on building viable societies which can resist cold war pressures.

9. The Director of AID, in collaboration with other responsible departments, will be responsible for carrying out the further studies called for

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above. To assist him in assuring adequate follow-through on its recommendations, he may, if he so decides, use the Military Assistance Steering Group, under his chairmanship, in an advisory role.

10. The Director of AID will also study what improved planning and programming techniques are needed so that military and AID programming can be effectively coordinated to insure that total US aid to any given country is used to the best overall advantage. This report, to be submitted not later than 1 May 1962, is to include recommendations as to the most effective means, at both country-team and Washington levels, for meshing the AID and MAP planning cycles.

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